



June 17, 2010

Dear Market Participants and Interested Parties:

Re: Letter of Notice – North American Electric Reliability Corporation (“NERC”) Modeling, Data and Analysis (“MOD”), Interconnection Reliability Operations and Coordination (“IRO”) and Personnel Performance, Training, and Qualifications (“PER”) Reliability Standards Proposed for Rejection as Alberta Reliability Standards:

- a) MOD-011-0 Maintenance and Distribution of Steady-State Data Requirements and Reporting Procedures;**
- b) MOD-028-1 Area Interchange Methodology**
- c) MOD-030-1 Flowgate Methodology**
- d) IRO-004-2 Reliability Coordination Operations Planning; and**
- e) PER-002-0 Operating Personnel Training (collectively the “NERC Standards”)**

Section 19 of the *Transmission Regulation* requires the AESO to consult with market participants likely to be directly affected by the Alberta Electric System Operator (“AESO”) adoption or making, or rejecting of reliability standards, and also requires the AESO to forward the proposed reliability standard to the Alberta Utilities Commission (“AUC” or “Commission”) for review along with the AESO’s recommendation that the AUC approve or reject them.

Accordingly, the AESO is providing notice and seeking feedback from market participants on the attached NERC Standards.

Following the AESO’s receipt of and reply to feedback from market participants regarding the NERC Standards, the AESO intends to forward the NERC Standards to the AUC for review and rejection as reliability standards that apply in Alberta.

Rejection of NERC Standards

The AESO is proposing to reject the NERC Standards as Alberta reliability standards the AESO has determined they are not applicable in Alberta for one or more of the following reasons:

- a) the requirements are responsibilities of either the Western Electric Coordinating Council (“WECC”) or the WECC Reliability Coordinator and not of any Alberta market participants or the AESO;
- b) they relate to practices not applied in Alberta’s regulatory or market structure; and
- c) They are otherwise not relevant to Alberta.

AESO Papers and Other Related Communications

The AESO has not issued any AESO papers or other related communications with respect to the NERC Standards.



Summary of NERC Standards

The following summarizes each of the NERC Standards.

MOD-011-0 Maintenance and Distribution of Steady-State Data Requirements and Reporting Procedures

The purpose of MOD-011-0 is to establish consistent data requirements, reporting procedures and system models to be used in the analysis of the reliability interconnected transmission systems.

The AESO has determined that MOD-011-0 is not applicable in Alberta as its requirements apply to WECC (as the Regional Reliability Organization) and not to any Alberta entity.

MOD-028-1 Area Interchange Methodology

The purpose of MOD-028-1 is to increase consistency and reliability in the development and documentation of transfer capability calculations for short-term use performed by entities using the area interchange methodology to support analysis and system operations.

The AESO has determined that MOD-028-1 is not applicable in Alberta as Alberta does not use the area interchange methodology for determining available transfer capability. The rated path methodology will be described in MOD-029-AB-1 and will be applied in Alberta for determination of available transfer capability on rated paths. The AESO's recommendation to adopt MOD-029-AB-1 will be consulted on later in 2010.

MOD-030-1 Flowgate Methodology

The purpose of MOD-030-1 is to increase consistency and reliability in the development and documentation of transfer capability calculations for short-term use as performed by entities using the flowgate methodology to support analysis and system operations.

The AESO has determined that MOD-030-1 is not applicable in Alberta as Alberta does not use the flowgate methodology for determining available transfer capability. The rated path methodology will be described in MOD-029-AB-1 and will be applied in Alberta for determination of available transfer capability on rated paths. The AESO's recommendation to adopt MOD-029-AB-1 will be consulted on later in 2010.

IRO-004-2 Reliability Coordination – Operations Planning

The purpose of IRO-004-1 is to require that each Reliability Coordinator conduct next-day reliability analyses for its Reliability Coordinator Area to ensure the bulk electric system can be operated reliably in anticipated normal and Contingency conditions. System studies must be conducted to highlight potential interface and other operating limits, including overloaded transmission lines and transformers, voltage and stability limits, etc. Plans must be developed to alleviate system operating limit and Interconnection reliability operating limit violations.



The AESO has determined that IRO-004-2 is not applicable in Alberta as the AESO will respond to WECC Reliability Coordinator directives in accordance with Requirement R1 of IRO-001-AB-1. The AESO's recommendation to adopt IRO-001-AB-1 will be consulted on later in 2010.

PER-002-0 Operating Personnel Training

The purpose of PER-002-0 is to require that each transmission operator and balancing authority must provide their personnel with a coordinated training program that will ensure reliable system operation.

The AESO has determined that PER-002-0 is not applicable in Alberta as PER-005-AB-1 will cover off these requirements and is consistent with the NERC Board of Trustees recommendation. The AESO's recommendation to adopt PER-002-AB-1 will be consulted on later in 2010.

Request for Stakeholder Comments

Comments and suggestions on the proposed rejection of the NERC Standards are encouraged.

Please use the attached comment matrix when submitting comments to the AESO on the proposed rejection of the NERC Standards. The AESO's rationale for the proposed rejections has been provided within the comment matrix. Only written comments will be considered in finalizing the proposed rejection of the NERC Standards.

Please provide written stakeholder comments or questions by **July 9, 2010** to Jerry Mossing at ars_comments@aeso.ca

The AESO will be publishing all stakeholder comments received for industry review shortly after the comment deadline. Stakeholder Comments received along with AESO replies to the comments will be published with the final rejection of NERC Standards being recommended for internal AESO approval in July, 2010.

Attachments to Letter of Notice

The following documents are attached to this Letter of Notice:

- a) [Clean](#) copy of MOD-011-0
- b) [Clean](#) copy of MOD-028-1
- c) [Clean](#) copy of MOD-030-1
- d) [Clean](#) copy of IRO-004-2
- e) [Clean](#) copy of PER-002-0



f) Copy of the [comment-rationale matrix](#) for the rejection of NERC Standards.

Yours sincerely,

Original Signed By

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Attachments

